Firka Development (1949) Department

Ms SERIES.

G.O. No.	359
Dated	1-4-1949.

[Despatch Abstract.]

Demand for grants 1949-50 - Voting of Budget under Demand XXI Industries - Explanatory Note - Papers Recorded.

SPECIAL

FINANCE (BUDGET - GENERAL) DEPARTMENT

U.O.Note No.6695/49 B,G-2, dated 23rd February 1949.

DEMANDS FOR GRANTS, 1949-50 - VOTED EXPENDITURE

A copy of the notice of demands for grants for the year 1949-50 together with an analysis of each demand is forwarded to Departments of the Secretariat. They are requested to take the order of the Minister who will move the demand as to whether a note should be prepared on the policy underlying the demand.

In the case of composite demands, the departments concerned may take the order of the Ministers concerned other than the Minister who will move the demand as to whether a note should be prepared in respect of the items relating to them if included in the same demand. If such notes are prepared, the departments concerned are requested to send copies of the notes also to the Minister who will move the demand.

2. The explanatory paragraphs in the Budget Memorandum for 1949-50 which will be forwarded to Departments of the Secretariat on the 26th February 1949 may be useful in this connection.

T.N.S.RAGHAVAN,
Secretary to Government.

To
Departments of the Secretariat including Finance (all sections)

(True copy)

Forward to

(By order)

S/d. Superintendent,

Demand XXXI - INDUSTRIES .. .. The Hon'ble Minister in charge of Industries will move that the Government be granted a sum not exceeding Rs. 2,02,58,000-.

XXI - Industries

43. Industries and Supplies - Industries excluding Cinchona andFisheries(Except Intensive Khadi Scheme and Cottage Industries) Intensive Khadi Scheme.

The Minister in charge of Industries.

NOTE ON COTTAGE INDUSTRIES

In the first place, it may be mentioned that although a survey of the cottage industries in this Province was made ~~made~~ by a Special Officer as early as in 1927 and a factual report was prepared, no comprehensive plan for the development of these industries on a province-wide basis has so far been formulated. The artizans are found to be working in the traditional ruts and their skill is largely inherited and not cultivated. Any scheme which aims at improving their skill, so that they may be enabled to use up-to-date implements and methods of manufacture has to reckon with their poverty and indebtedness, competition from machine-made articles and lack of patronage from the public. Various measures taken by the Government so far to overcome these obstacles have not met with appreciable success mainly due to the apathy of the artizans themselves.

2. The first attempt to develop cottage industries on an organised basis was made towards the end of 1946 when Government approved a scheme for the development of these industries in the selected firkas as an integral part of the Intensive Rural Reconstruction Scheme. The scheme which was approved in G.O. 4591 Ms. Development dated 14-12-46 envisaged the promotion of 32 cottage industries by the starting of about 200 Demonstration and training units in differenct parts of the province to give training to local workers in up-to-date methods of manufacture on a cottage industry basis. The duration of the course of training varied from 3 to 10 months. The Departments of Industries and Commerce was permitted to award stipends to 50 per cent of the number of trainees, -- the strengt preseribed for each unit being 20- with a direction that the Departments of Industries and Commerce should secure stipends to the trainees not aided by the Government from local donations. Stipends sanctioned by the Government varied from 7-8-0 to 10/- a month. With a view to afford further inducement to artisane zans to joint the courses and turn out articles of utility, the scheme permitted the distribution of 25 per cent of

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receipts from the sale of articles produced in the units to the trainees as bonus. As a follow-up programme, provision was made for the grant of loans, subsidy and scholarships to the trainees after the completion of the training to enable them to set up their own workshops or go in for higher training. The scheme involved a non-recurring expenditure of about 14½ lakhs and a net recurring expenditure of about 23½ lakhs per year and provided for the training of about 4000 artizans.

3. Under this scheme, about 126 technical personnel were recruited for employment as instructors, demonstrators, supervisors etc. and they were given training for two weeks in different technical institutions of the Department of Industries and Commerce, including the Central Polytechnic, School of Arts and Crafts, Madras etc. On the completion of the training, they were placed under the various District Industries Officers and Assistant Industrial Engineers for preliminary work conneeted with the establishment of the training units. About 40 units were started during the year 1947 and nearly 500 pupils have been given training in these units.

4. It was however found that the scheme of 1947 was ambitious and demanded a very efficient administrative machinery to ensure effective supervision and co-ordination. The stipends offered to the trainees were not also sufficiently attractive to keep the trainees on till they completed their courses and in some of the industries, the training provided for was quite inadequate to be of use to the trainees. A modified scheme which provided for the employment of master craftsmen in the units and giving them freedom to bring out the best of themselves in their own way was later suggested by the Departments of Industries and Commerce.

5. The original scheme of 1946 and the modified scheme suggested had as their primary objective the training of a large number of artizans in the use of improved implements and up-to-date methods of manufacture at a large number of workshops maitained at the cost of the Government.

The present Department of Industries and Commerce however suggested that the objective of the scheme should not be the training of a large number of artizans who will have no resources of their own to make use of the training received by them but it should be to secure production by improved methods in each locality of the ordinary household requirements of the local population and that the training of artizans in these centres of production should only be incidental and an auxiliay function of the production units. He also suggested that the demonstration cum-training units started under the scheme of 1946 and managed by the Government should be made over to non-official agencies like Co-operative Societies, Limited Companies and Partnerships who could be helped by the Government by securing technical assistance and raw materials and also marketing facilites for the finished products. The Government have accepted these proposals and passed orders in June 1948 directing that the implemtns and raw materials held in the cottage industries units startedunder the scheme of 1946 should be made over to private agencies. The Government are also considering proposals to appoint a team of expert technicians to visit these units periodically and guide and advise the managements in the adoption of improved methods of production, procurement of raw materials and marketing of their products. The Government have also directed that attention should be concentrated in developing Woodwork-cum-Blacksmithy centres, the two village industries which are handmaids of agriculture and that in addition pottery, tanning and leather goods manufacture, sheet metal work and light metal casting should also be developed, wherever possible. It is estimated that if all the 40 units started under the scheme of 1947 are to be run at Government expense, the expenditure required will be Rs. 74,700 non-recurring and Rs. 2,62,500 recurring per annum. If these units are transferred to private agencies the Government will have to incur expenditure only on the technical staff for supervision estimated to cost about Rs. 43,000/ per annum. The Government have so far passed orders on the proposal sent by the Departments of Industries and Commerce for the transfer of about 17 units started under the scheme of 1946 to private agencies and are awaiting proposals in the respect of the remaining units.

6. It may thus be seen that the Government set about the work of organisation and development of cottage industries in right earnest as far back as 1946 and have been doing all that was possible to implement their schemes. The distinction between industries which touch the life of the villagers in their day-to-day search for food and clothing and the other industries which help to provide a subsidiary occupation and secure an additional income to villagers during off-seasons when their main vocations provide no work for them has also to be kept in view. The first class of industries is called village industries and the second class cottage industries proper. These two classess obviously require a different approach and a differenct treatment for development. There was the initial difficulty that in this respect we had to beginfrom the scratch and had to evolve schemes of our own. The orginal scheme which was drawn up was too ambitious and the results achieved were not up to expectations. It had therefore to be radically revised and the effects of the revision had to be carefully watched and examined . We have now come to a stage when we can confidently draw up a scheme for the development of these village and cottage indutries based on our past experience of the attempts made since.1946. Such a scheme has now been drawn up and is now being studied and it is expected that orders will be passed on it very soon.

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7. We had also to reckon with the absence of trained personnel to handle our cottage industries scheme. We are in need of a person who can take charge of the scheme and deliver the goods. We have called for applications for appointment as Deputy Director of Cottage Industries. Although 130 applications were received, there was not one among them who had the necessary contact with the subject and to whom we could confidently entrust the job of organising and developing the cottage industries and village industries in the Province on healthy and satisfactory lines. Attempts have been made to invite a Japanese expert in cottage industries to this Province with a view to secure his advice; but this has not so far become possible. The Government of India have also taken up this question recently and have created a Cottage Industries Department in the Directorate General of Industry and Supply. An All India Cottage Industries Board has also been constituted and with the help of this Board, the Government of India are devising a comprehensive scheme for the development of cottage industries as also the establishment of a Cottage Industries ~~as also the~~ Research Institute. This Government hopes to be benefited by the invistigations now being made by the Government of India and await the lead that they might be able to give to the Provinces.

8. This Government have also recognised that these industries can best be developed only on the basis of co-operation. The success which has attended the cottage industries Co-operative institutions has indeed been very encouraging. The Amelioration programmed pursued by the Government consequent on the introduction of Prohibition has also, as one of its main objectives, the formation of Cottage Industries Co-operative in which the ex-toddy tappers could be persuaded to take active interest. It may be mentioned in this connection that Weavers' Co-operative Socieites have made spectacular progress during recent years. At the end of June 1948, there were as many as 893 socieites with a total membership of nearly 1,33,000 and a share capital of about Rs.62 lakhs. The value of the cloth produced by these societies during the year 1947-48 was over 6½ crores of rupees and they actually sold cloth worth over Rs. 8 crores during the same year. Several other cottage industries have been organised on a co-operative basis and have been functioning satisfactorily. A list of the different types of the socieities with particulars of the number of socieities of each type, value of goods produced and sold etc. is given below :

Type of society	No. of societies	No.of members.	Paid share capital Rs.	Value of goods produced. Rs.	Value of goods. sold. Rs.
1	2	3	4	5	6
1. Handloom weavers	893	1,32,968	62,20,000	6,68,10,000	8,14,15,000
2. Carpet weavers.	4	277	13,454	45,183	46,456
3. Cumbly weavers.	10	525	4,264	24,239	33,719
4. Handspinners	10	3,854	47,138	91,842	68,107
5. Mat weavers	12	454	2,619	21,06 5	23,910
6. Coir workers	10	666	7,199	56, 557	55,563
7. Metal workers	26	2,948	1,08,737	10,26,978	12,67.334

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1	2	3	4	5	6
. Leather workers	9 26	562	9,486	1,09,328	99249
. Basket Makers	6	264	4,924	18,889	28,864
0.Potters societies	14.	1,127	11,421	95,460	1,12,079
1.Charcoal production	7	199	10,948	17,850	17705
2.Handmadepaper	4	276	14,843	--	547
3.Toy and button makers.	4	183	1,404	6,124	5,861
4.Stone carvers.	2	104	304	3,642	3,644
5.Bullck cart makers	1	16	1,400	1,300	1,320
6.Tape weavers.	2	244	2,076	9,000	14,305
7.Beedi and cigar workers.	5	520	8,450	28,590	30.870
8.Oil producers	2	127	6,130	39,619	29,583
9.Other miscellaneous Societies	33	3,182	1,74,950	65,840	67,825
0.Women's Cottage Industries Societies	48	4,139	25,271	92,839	84,007

during the year ending 30th June 1948, there was an increase in the number of cottage industries societes, other then weavers' societies from 174 to 209, Further, several societes manufacturing jaggery have recently been formed under the Government's Amelioration programmed. About a thousand of these socieities have already been formed so far and their number is increasing rapidly from month to month. The jaggery manufactured by these societes is mostly consumed in the rural areas in the neighbourhood of its production and the pressure of demand on white sugar supplies is reduced to a considerable extent. If the work turned out by all these co-operative socieites is taken into account the progress of cottage industries in the Province cannot be considered to be negligible.

9. The Government have also sanctioned the expansion of the coir training School at Bajpore where 80 students are now undergoint training. Sanction has also been accorded for opening a Coir Industrial School in Vizagapatnam District (Uddanam area) for the benefit of members of fishermen community. A training centre for the manufacture of glass bangles and beads have been opened at Kalahasti and arrangements are under consideration to have two more centres one in Tamilnad and the other in West Coast. A pottery centre has also been working at Rajahmundry and it is proposed to have Ceramic Service centres in East Godavari, Kurnool, South Arcot and Malabar districts and also in Tiruchirappalli district and a Ceramic Training School at Gudur in Nellore District.

10. Further the Government have noticed that if substantial improvement is to be acheived, the work relating to all cottage industries should be brought under the control of a single authority. The work is now being attended to

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partly by the Departments of Industries and Commerce so far as cottage industries which require the use of specialised tools and implements are concerned and by the Registrar of Co-operative Societies in respect of those industries organised on a co-operative basis by the regular officials of the Co-operative Department as well as by the ameliorative staff employed under the Prohibition programme. The Retrenchment and Reorganisation Committee has recommended that the administration of all matters relating to the development of cottage industries should be taken over by the Government and should be dealt with by them directly. Another proposal has also been made that in view of the success so far achieved by Co-operative effort, this work should be placed entirely under the control of the Registrar of Co-operative Socieites and he should be given the assistance of a Joint Registrar of Co-operative Society to attend to it. The Gover ment are considering these proposals and expect to pass orders very soon.

11. To recapitulate, the Government had to begin the work relating to the development of cottage Industries from the very beginning and had to contend with the absence of a workable scheme, trained personnel and unified direction. They have made earnest attempts to draw up a scheme to implement it but have had to modify it in the light of experience gained. They are now considering a revised scheme drawn up in the light of past experinee and are also awaiting guidance from the Government of India who have recently taken up this question. The Government also hope to entrust this task of developing the village, and cottage industries to a single administrative authority and secure substantial progress during the coming year. The development of these industries on co-operative lines has however taken rapid strides during the past year and the results achieved have been very satisfactory.

Sd.....
12 -3 -49

Firka Development. II

Sub: Demands for grants - 1949 - '50.
Ref :- Fin. U.O. Note No.6695-49-BG-2 dated 23-2-49

To.K.S.O.

Finance U.O.Note in the Current File may be perused. Finance have stated that in the case of composite demands the Departments should take the orders of the Ministers concerned. other then the Minister who will move the demand as to whether a note has to be prepared in respect of the items relating to them included in the same demand. Demand XXI relates to Industries in which 'Cottage Industries' is also included. Hon'ble Minister (Firka Development) is in charge of the portfolio of 'Cottage Industries' but the entire composite demand will be moved by Hon'ble Minister (Industries).

A note on cottage industries has been prepared and is placed below for use of the Hon'ble Minister (Firka-Development and Hon'ble Minister (Industries).

This may be circulated to Hon'ble Minister (Firka-Development) and Hon'ble Minister (Industries)

Sd.....
9-3-49

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Sd.....
9-3-49

cont.

What about the Cottage Industries under Co-operation.- Weavers and Jaggery Societies ? and other ~~ass~~ ? Put up a copy of the administration Report of Co-operative department - where details are given about these - Under cottage Industries Government have any right to take credit of what co-operative department is doing.

Sd/ .....
Hon'ble Minister. 10-3-49

Hon 'ble Minister 11-3-49

A revised note prepared in accordance with instructions given by Hon'ble Minister (Firka Development) to K.S.O. is placed below. This may be circulated to Hon'ble Minister (Firka Development) and Hon'ble Minister (Industries)

Sd ----------

Hon'ble Minister
13-3-49

To K.S.O.

The file may be kept pending till the official communication is received from the Madras Legislator Secretariat after the Budget under Demand XXI is noted by the Legislature.

Sd.....
26-3-49

To K.S.O.

The budget under Demand XXI has since been noted by the Legislature on 24-3-49. The papers may now be recorded as G.O.Ms. for future reference.

Sd.....
Secretary to Government.
14-4-49.

Abstract.

G.Ms.359 F.D. d/1 4-49

Demand for grants 1949-50
Voting of - Budget under Demand XXI
Industries - Explanation Note -
Papers Recorded.

/True copy/

for Superintendent,
Madras Record Office.

NG.20.

22/7